

THE SOCIAL AND ECONOMIC JUSTICE DIALOGUE

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Reverend Ledyard Baxter, Pastor - Edited by Hank Boerner
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RECENT NEWS: CORPORATE CITIZENSHIP IN ACTION

CORPORATE RESPONSIBILITY AND HURRICANES

As the recent hurricanes – *Charley, Francis, Ivan, Jeanne* — cut their deadly paths through Florida and southern coastal states, large companies rushed in to provide relief for local residents and small businesses. **Lowe's Companies**, for example, stocked up on vital building materials and safety supplies in key storm-threatened areas before the storm – boosting immediately available supplies of plywood, batteries, electric generators, cleaning supplies, etc. Lowe's operates a national disaster “command center,” providing telephone advice and information to consumers in both English and Spanish. All Gulf and Atlantic coast stores also serve as official cash donation centers for the **American Red Cross Disaster Relief Fund**; Lowe's matches \$1-for-\$1 donations up to \$1 million.

Sears, Roebuck and Co. assisted residents in Alabama, Florida, Georgia, Louisiana, and Mississippi through its “American Dream Campaign.” Sears gave United Way \$25,000 in gift cards to help hard-hit families in Florida and Alabama. Free flat tire repair was provided at Sears Auto Centers in 30 stricken counties for those whose tires were storm-damaged. As Hurricane Joanne roared through, Sears passed the \$1 million mark in 2004 merchandise and cash gifts.

The Gap Foundation, the charitable arm of **The Gap, Banana Republic and Old Navy**, donated \$50,000 to the American Red Cross to aid victims. The Foundation also doubled the company match for employee contributions to the Red Cross (the Company normally matches \$1-for-\$1 contributions by part- and full-time employees). For every 15 hours that an employee volunteers to help the Red Cross directly, the organization will also receive \$300.

The Red Cross teamed with New York stockbroker **Muriel Siebert** – first woman member of the NYSE – to boost the value of contributions to help hurricane victims. **Muriel Siebert & Co** eliminated commission charges on stock donated to the Red Cross and designated to help disaster victims. (Donors increasingly take stocks in their portfolio

that have increased in value since purchase and turn them over to churches, relief organizations, not-for-profits, etc. as tax-deductible donations, receiving tax credit for the full current face value.)

The Red Cross opened more than 1,300 shelters and evacuation centers, provided refuge to 350,000 local residents and served well over 6 million meals to victims and relief workers by the end of September's parade of deadly storms. As an example of the transactions under the Red Cross-Siebert program, a donation of 200 shares of stock worth \$20 per share would create additional value of \$120 (by elimination of the firm's commission) to the American Red Cross.

Other Florida-based charities working with Muriel Siebert (who is a familiar face on LI's East End): **Greater Miami Jewish Federation, Calvary Chapel of Ft. Lauderdale and Grace Lutheran Church of Naples.**

MORE ON THE COFFEE AND FAIR TRADE ISSUES

As the **Starbucks** chain continues to expand US and overseas retail locations, a newcomer to the competition is just opening its first retail coffee shop in New York City to go head-to-head with Starbucks. The **National Federation of Columbian Coffee Growers** – remember their familiar TV spokesman, “Juan Valdez”? -- is coming to the US to bring customers “*coffee straight from the tree to the cup.*” Columbia has more than 500,000 farmers involved in the coffee business, most belong to the Federation. Proceeds from US store sales will be funneled through the Federation to schools and hospitals back home. About 150 stores are planned — name of the shops: “**Juan Valdez!**”

Continued on Page 2

Recent News: Corporate Citizenship in Action
(continued)

Starbucks now has 5,000 US locations and intends to grow to 10,000 stores (there are 8,000 stores worldwide). Starbucks now says it recognizes that coffee and “fair trade” payments to growers are becoming an important “litmus test” for social responsibility for American consumers. Starbucks recently loaned \$2.5 million to **EcoLogic Finance**, a Cambridge, Massachusetts-based not-for-profit that offers financial services to small, rural Latin American and Asian coffee growers. Since 1999, EcoLogic has provided loans ranging from \$25,000 to \$500,000 to more than 11,000 farming families – all small-scale growers whose holdings are in environmentally-sensitive areas, and who are encouraged to employ “sustainable” farming methods. Starbucks will receive 2% return.

The Company was also just added to the *Financial Times*’ **“FTSE4Good Index,”** an investment research tool for institutional investors, who can invest directly in the index or use it to track “socially good” companies. (“Footsie” is the nickname for the FT indexes; “4-good” designates companies included in the index that demonstrate good corporate responsibility in the areas of human rights, environmental stewardship and social and stakeholder engagement.) There are four FTSE4Good Indexes now, covering the United Kingdom, Europe, the United States and “global.” A committee of independent experts reviews the indices to make sure they reflect current thinking on corporate social responsibility.

ANOTHER INDEX THAT REFLECTS CORPORATE BEHAVIOR

The Dow Jones Sustainability Indexes are the first global indexes that track the financial performance of the leading “sustainability-driven” companies worldwide. This is different from “the environment,” in that sustainability true believers are attempting to structure their operations to reduce the impact of operations on the Earth while building a long-term, viable organization to serve future generations. Only 10% of the world’s largest 2,500 companies can be included, based on certain economic, environmental and social responsibility criteria. Companies must demonstrate they can create long-term sustainability while practicing good corporate citizenship.

Alcoa was one of the first companies selected by Dow Jones for the index in 2001, and has been included (again) for the fourth straight year. Alcoa is among 300 companies from 24 countries that are deemed eligible. The company produces aluminum, marketing the well-known “Reynolds Wrap” household foils and plastic wraps. Other products include aluminum siding, electrical system parts for trucks and cars, and components or materials for aerospace, building, transportation and industrial markets.

YOU CAN LEARN MORE AT:

www.alcoa.com/lnk/sustainability

(Alcoa’s Web site; you can download the Company’s sustainability reports here)

www.dowjones.com

(for information on its indexes)

www.redcross.org

(The American Red Cross Web site)

www.siebertnet.com

for Siebert Financial / Muriel Siebert
 (“Charitable Stock Donation Program”)
(or dial toll-free 1-800-872-0711 for information)

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The dialogue is intended to help further understanding
of current events and trends in social and economic justice,
and in corporate social responsibility.

Reverend Ledyard Baxter, Pastor
Church Office 631.722.3070

Hank Boerner, Dialogue Editor
Telephone 516.248.2383
Email: hank@hankboerner.com